

# UNITED STATES DISTRICT COURT

DISTRICT OF WYOMING

U.S. DISTRICT COURT  
DISTRICT OF WYOMING

2013 JUN 14 AM 11 37

UNITED STATES OF AMERICA

V.

STEPHAN HARRIS, CLERK  
CRIMINAL COMPLAINT

**ROMAN KVINIKADZE**

CASE NUMBER: 13-MJ-102-5


I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief.

*See Attachment "A"*

in violation of 22 U.S.C. §§ 2778(b)(2) and 2778(c) and 22 C.F.R. §§ 121.1, 123.1, 127.1(a) and 127.3. I further state that I am a Special Agent and that this complaint is based on the following facts:

**SEE ATTACHED AFFIDAVIT**

Continued on the attached sheet and made a part hereof:  Yes  No

  
\_\_\_\_\_  
Signature of Complainant  
**Ramzi Aly**

Sworn to before me and subscribed in my presence,

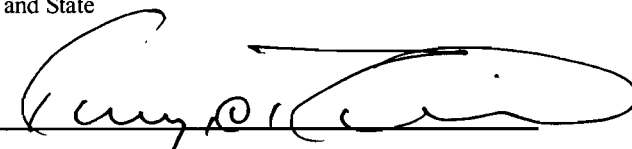
June 14, 2013

at Cheyenne, Wyoming

Date

City and State

Hon. Kelly R. Rankin  
United States Magistrate Judge

  
\_\_\_\_\_  
Signature of Judicial Officer

Name & Title of Judicial Officer

***ATTACHMENT "A"***

Beginning on or about December 24, 2012, and continuing up to and including the filing date of this complaint, in the District of Wyoming and elsewhere, the Defendant, **ROMAN KVINIKADZE**, did knowingly and willfully combine, conspire, confederate and agree with persons known and unknown, to export and attempt to export from the United States, defense articles classified under the International Traffic in Arms Regulations, to wit, American Technologies Network Corporation Thor Thermal Imaging Weapons Sights, more specifically described as:

1. Three (3) TIWSMT322D-Thor320-2x 320x240, 30mm, 60Hz, 25 micron;
2. Two (2) TIWSMT324A-Thor320-4.5x 320x240, 50mm, 60Hz, 17 micron;
3. Two (2) TIWSMT643B-Thor640-2.5x 640x480, 50mm, 30Hz, 17 micron;
4. One (1) TIWSMT326D-Thor320-6 320x240, 100mm, 60Hz, 25 micron;
5. Two (2) TIWSMT321C-Thor320-1x 320x240, 19mm, 30Hz, 25 micron;

which are designated as defense articles on the United States Munitions List, Category XII(c) and the Defendant did so without having first obtained from the U.S. Department of State, Office of Defense Trade Controls Compliance, a license for such export or written authorization for such export.

All in violation of 22 U.S.C. §§ 2778(b)(2) and 2778(c) and 22 CFR §§ 121.1, 123.1, 127.1(a) and 127.3.

**AFFIDAVIT**

I, Special Agent Ramzi Aly, U.S. Department of Homeland Security, Homeland Security Investigations (HSI), being first duly sworn, state as follows:

**PERSONAL BACKGROUND**

1. I am employed as a Special Agent with HSI, assigned to the Office of Special Agent in Charge, Denver, Colorado, Counter Proliferations Group and have been employed in that capacity since July 2011. I am empowered by law to investigate and make arrests for offenses involving the unlawful export of arms, commodities, goods and technology to destinations outside the United States, as specified in the Arms Export Control Act (AECA), 22 U.S.C. §§ 2778, the Export Administration Act of 1979 (EAA), as amended, 50 U.S.C. §§ 2401-2420, and the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. §§ 1701-1707. Prior to this, I was employed as a Special Agent with the U.S. Department of Homeland Security, Federal Protective Service. I was assigned full time to the Federal Bureau of Investigation Joint Terrorism Task Force in Denver, Colorado, conducting counter-terrorism investigations. Prior to this, I was employed as a Special Agent with the U.S. Department of the Interior, Office of the Inspector General, from June 2002, to July 2004, investigating criminal and administrative cases involving department personnel. Prior to this, I was employed as an agent of the Naval Criminal Investigative Service, from February 2001, to June 2002, and I was detailed to the Federal Bureau of Investigation Joint Terrorism Task Force FBI-JTTF in Washington, D.C. to conduct counter-terrorism investigations. Prior to this I was employed as a Special Agent for the United States Department of State, Diplomatic Security Service, from September 1994, to February 2001, and investigated numerous cases involving visa and passport fraud, which were often linked to, money laundering, and drug trafficking activities. Moreover, I conducted

investigations into cases involving sensitive national security matters of direct concern to the Department of State (DOS). Additionally, I was also empowered to protect the U.S. Secretary of State and to provide security for United States Embassies and Embassy personnel worldwide.

2. As a Special Agent with HSI, I am familiar with and have received training regarding laws relating to the unlawful export of goods and technology from the United States, as specified in the AECA, the EAA, and the IEEPA.

3. I am also familiar with related federal laws and the interpretation and application of federal laws and federal court procedures, and I have previously conducted and assisted in the execution of numerous federal arrest and search warrants. I have conducted and participated in investigations of violations of United States laws relating to the unlawful export from the United States of goods and technology restricted for export for reasons of national security, foreign policy, anti-terrorism, and embargoed destinations, and I am empowered to make arrests in connection with such violations.

#### **APPLICABLE REGULATIONS**

4. AECA authorizes the President of the United States to control the import and export of “defense articles” in furtherance of world peace, national security, and foreign policy of the United States and to establish and maintain a United States Munitions List for that purpose (USML). 22 U.S.C. § 2778 *et. seq.* The President has delegated the authority to regulate the export of defense articles and defense services to the Secretary of State, with the concurrence of the Department of Defense (DOD), in accordance with regulations that are promulgated by the Directorate of Defense Trade Controls (DDTC). 22 C.F.R. §§ 120.1(a) and 120.2. The regulations promulgated by the DDTC are known as the International Traffic in Arms Regulations (ITAR), and specify which items are designated as defense articles. All defense

articles are identified in the USML. The USML is a categorical list of items the DOS has designated as defense articles and defense services. Included on the USML are military aircraft, military equipment and components specifically designed, modified, and configured for military training equipment. Items designated on the USML cannot be exported from the United States without first obtaining an export license or written permission from the DOS, through the DDTC – regardless of value. 22 U.S.C. § 2778(b)(2) and 22 C.F.R. § 123(a).

5. It is a violation for anyone to willfully violate any provision of 22 U.S.C. § 2778 or any rule or regulation issued under that section. 22 U.S.C. § 2778(c). Specifically, it is a crime for any defense article exporter to willfully fail to obtain an export license before exporting a defense article to another country. 22 U.S.C. § 2778(c) and 22 C.F.R. §127.1(a)(1). It is also a crime to conspire with others to illegally export, and cause the export from the United States of defense articles designated on the USML without first obtaining an export license from the DOS, in violation of 22 U.S.C. § 2778(b)(2) and 2778(c) and the ITAR, 22 C.F.R. § 121.1, 123.1 and 127.1(a)(4). Pursuant to the ITAR, it is also a violation for a person to attempt to export or to cause to be exported any defense article without a license. 22 C.F.R. § 127.1(a)(1). It is also unlawful for any person to “knowingly or willfully cause, or aid, abet, counsel, demand, induce, procure, or permit the commission of any act prohibited by 22 U.S.C. § 2778,” or any regulation issued there under. 22 C.F.R. § 127.1(d).

6. HSI has the authority to enforce federal laws pertaining to the illegal export of defense articles, war materials, and defense services as indicated in the AECA.

**EVIDENCE TO SUPPORT PROBABLE CAUSE**

7. In preparing this affidavit, I have relied on my personal observations and information I have learned and received directly from other law enforcement agents, including agents experienced in the area of enforcing federal laws relating to the illegal export of defense articles and services.

8. On December 22, 2012, an HSI undercover agent (UCA) was contacted by an individual identifying himself as Roman KVINIKADZE using e-mail address romankv@me.com. KVINIKADZE made contact with the UCA through an online marketing company similar to E-Bay known as Alibaba which acts as a forum to trade a variety of products between buyers and sellers worldwide. After this initial contact, the UCA and KVINIKADZE exchanged their personal e-mail addresses.

9. After exchanging email addresses, the UCA received an e-mail directly from KVINIKADZE stating that he was starting a hunting store in Russia and believed that adding thermal imaging weapon sights would be “very useful for hunting” and that he was interested in a quote from the UCA. Thereafter, the UCA and KVINIKADZE began negotiating the purchase and export of military grade thermal imaging weapons sights manufactured in the United States by various defense manufacturers.

10. On December 25, 2012, KVINIKADZE e-mailed the UCA and said they could discuss their transaction at the SHOT Show (Shooting, Hunting, Outdoor Trade Show) in Las Vegas, Nevada. The National Shooting Sports Foundation’s annual SHOT Show is the largest and most comprehensive trade show for all professionals involved with the shooting sports, hunting and law enforcement industries. It is the world’s premier exposition of combined

firearms, ammunition, law enforcement, cutlery, outdoor apparel, optics and related products and services. The SHOT Show attracts buyers from all 50 states and more than 100 countries.

11. On January 15, 2013, the UCA met in Las Vegas with KVINIKADZE and another individual who KVINIKADZE introduced as his friend. The UCA explained to KVINIKADZE and his friend that the weapon sights they wanted to purchase and ship to Russia were controlled for export and would need to be shipped with an export license from the DOS. The UCA stated, however, that there were other ways to ship the weapon sights without a license. Upon hearing this, KVINIKADZE stated he did not care how he received the weapon sights, whether with or without the required export paperwork, and further suggested the UCA should set up another company in a “more friendly” country such as England and then ship the weapon sights to Russia from that location to get around this problem.

12. KVINIKADZE’s friend was later identified as Igor Yuryevich Molotkov. During the meeting, KVINIKADZE and Molotkov spoke Russian among themselves. HSI agents subsequently had these recorded conversations translated into English by a native Russian speaker. The translation revealed that KVINIKADZE was explaining the conversation between himself and the UCA to Molotkov, as Molotkov did not understand English. According to the translation, Molotkov told KVINIKADZE that “we need 3,000 in inventory” with reference to purchasing the weapon sights.

13. On January 16, 2013, the UCA e-mailed KVINIKADZE to summarize the events of their meeting in Las Vegas. Specifically, the UCA again stated the weapon sights which KVINIKADZE wanted to purchase are restricted for export from the United States to Russia. In addition, the UCA explained that he did not know if the items would be approved for export with

a license. The UCA offered to apply for an export license with the caveat that, as they had discussed the previous day, “if the license is not approved we will still be able to provide you the supplies you require.”

14. On January 28, 2013, KVINIKADZE emailed the UCA to express his disappointment with the SHOT Show because “all interesting products – are close[d] to export, most of all ATN Thors.”

15. On January 31, 2013, a recorded telephone call was placed to KVINIKADZE in which KVINIKADZE stated that he was currently out of the country but would be returning to Russia in February. KVINIKADZE stated he wanted to purchase weapon sights manufactured by ATN -- the American Technologies Network Corporation. He specifically identified the weapon sights as the “Thor.” KVINIKADZE stated that he and the UCA needed to focus on how to ship the weapon sights from the United States to Russia.

16. On January 28, 2013, the UCA responded by e-mail confirming the weapon sights KVINIKADZE wanted to purchase did, in fact, require an export license. The UCA explained that applying for a license was an option, but if the license was not possible the UCA had other ways to get the weapon sights to KVINIKADZE.

17. On February 7, 2013, the UCA e-mailed KVINIKADZE informing him of prices for the weapon sights. The UCA gave KVINIKADZE a price of \$5,500 for a weapon sight manufactured by ATN and \$6,700 for a weapon sight manufactured by a company known as Morovision. The UCA asked KVINIKADZE how he wished to proceed with the export and offered to apply for a license to export ATN or Morovision weapon sights. The UCA stated that he would call KVINIKADZE to discuss the delivery options.



18. On February 12, 2013, a recorded telephone call was placed to KVINIKADZE in which the UCA discussed with KVINIKADZE the best way to get the weapon sights from the United States to Russia. Several options were discussed. KVINIKADZE suggested that the UCA set up a company in Prague, Czech Republic, to export the weapon sights with a license and when the weapon sights arrived in the Czech Republic, the UCA would transship the weapon sights to KVINIKADZE in Russia or KVINIKADZE could send someone to Prague to pick up the weapon sights and take them to Russia.

19. On February 26, 2013, KVINIKADZE emailed the UCA stating he wanted to know step-by-step who he was dealing with in the shipping chain. He agreed to the prices previously quoted by the UCA, but he had questions about how the financial transactions would occur. Specifically, KVINIKADZE wanted to know if the weapon sights would be purchased by the UCA and then sent to Prague. KVINIKADZE wrote if that was the case he could pay cash for the weapon sights and mark up the payment 20% for risk. He wrote this would be an excellent option for him. KVINIKADZE also wished to confirm the UCA had added time for getting the export license (to the Czech Republic), noting that a total of two months was acceptable. Lastly, KVINIKADZE added he did not want to fly from the United States to Russia with a sample weapon sight "cose it's illegal."

20. On March 12, 2013, KVINIKADZE wrote to the UCA stating he was ready to start the process of ordering the weapon sights. KVINIKADZE agreed to pay the UCA \$6000 initially, followed by \$24,800 and a 20% bonus (\$6360) in Prague, adding "Hope you understand that we want make a long time business and it will be depends of us all."

21. Later on March 12, 2013, the UCA responded that a contract would be sent to KVINIKADZE for the first order, which included the banking information to make the initial down payment. KVINIKADZE responded to the UCA stating he wished to have two contracts drawn up, one for the initial \$6000 and a second for the lump sum amount to be transferred in Prague. During this email exchange, KVINIKADZE copied Igor Molotkov and Serega Turkey. Molotkov is the person who, along with KVINIKADZE, met with the UCA in Las Vegas to discuss the purchase and export of thermal imaging weapon sights. Serega Turkey has yet to be identified but appears to be a person KVINIKADZE refers to as one of his “partners.”

22. On March 20, 2013, KVINIKADZE emailed the UCA regarding the contract for the weapon sights and stated that he wanted a contract which indicated the devices came from Prague and wanted to ensure that the contract was from a domestic company (in Prague) or “any company not from US!!! I don't want that i or my company was in shipping details of devices - this is you part of business, and exactly for it you adding 20%.”

23. On April 4, 2013, the UCA emailed KVINIKADZE stating: “Please see the attached purchase order from ATN for your order of 10 units of the Thor. We have already made the complete 100% prepayment to ATN for this order. Also, after you review our purchase order, I would appreciate it very much if you will be ready to make the payment of \$1000.00 we spoke about this week. I will provide you the bank information next week. We will be opening a private bank account that we will only use with business between you and us.” The purchase order listed the following ATN Thermal Imaging Weapons Sights: three TIWSMT322D-Thor320-2x 320x240, 30mm, 60Hz, 25 micron; two TIWSMT321D-Thor320-1x 320x240, 19mm, 60Hz, 25 micron; two TIWSMT324D-Thor320-4.5x 320x240, 50mm, 60Hz,

17 micron; two TIWSMT643B-Thor640-2.5x 640x480, 50mm, 30Hz, 17 micron; and one TIWSMT326D-Thor320-6 320x240, 100mm, 60Hz, 25 micron.

24. On April 18, 2013, KVINIKADZE wired \$1000 to an undercover bank account in Cheyenne, Wyoming, as a good faith payment for the weapon sights.

25. On May 2, 2013, the UCA sent an email to KVINIDADZE with a revised purchase order from ATN attached. The UCA explained that item number two listed on the first purchase order, which had previously been sent to KVINIDADZE (TIWSMT321D – Thor320-1x 320x240, 19mm 60Hz, 25 micron) had been replaced with item number six listed on the revised purchase order (TIWSMT321C – Thor320-1x 320x240, 19mm 30Hz, 25 micron) because the 60Hz weapon sight had an extended delivery date. KVINIDADZE had previously agreed to switch the item in order to keep the delivery schedule, noting the fact that the only difference between the two weapons sights was the first item is a 60Hz model and the second item is a 30Hz model. Later the same day, KVINIDADZE responded to the UCA's email and wrote: "Hi David! Nice to hear you! I agree with the models changing, I have answered you before. No time to wait!"

26. Between May 2 and May 29, 2013, KVINIKADZE and the UCA exchanged several emails discussing the payment terms and details of transshipping the weapon sights from the United States to Prague, then from Prague to Russia. KVINIKADZE informed the UCA he would pay for the weapon sights once they are delivered to Russia. The UCA offered payment terms of 75% down, balance due upon receipt in Russia. The UCA informed KVINIKADZE that the weapon sights would be hidden inside a box of used clothing and labeled as a gift.

Additionally, a very low value would be placed on the shipment so as to not draw extra attention from customs officials.

27. KVINIKADZE responded in an email dated May 3, 2013, "Hi David! I'll discuss with my partner, now its holiday in Russia and I out of city." KVINIKADZE then asked for more details about the UCA's partner in Prague.

28. On May 6, 2013, KVINIKADZE emailed the UCA regarding the 75% down payment: "Hi David! Hope everything is good! We discussed situation with my partners. Before talking about % of sharing, we want to know about your guy in Prague-some information, cose totally he will shipping devices what we paid for already, in really. I think you understand it. Also we spoke about it in the beginning of our negotiations. So, how long we working in that business, what the company name is exactly. Did he made a shipping to Russia before? How exactly he want ship it?"

29. Upon further negotiations, the UCA agreed to allow KVINIKADZE to pay for the weapon sights in full once they were successfully delivered in Russia. As part of this agreement, the UCA suggested that KVINIKADZE travel to Wyoming instead of Prague. The UCA stated that there was no need for KVINIKADZE to meet with the UCA's shipping partner in Prague if he was not required to pay for the units until they were delivered in Russia. The UCA suggested KVINIKADZE fly into Denver, Colorado and the UCA would pick him up the next day and drive to Cheyenne, Wyoming. KVINIKADZE agreed to meet the UCA in Wyoming where he would inspect the weapon sights and conclude the final details of the deal.

30. On May 29, 2013, KVINIKADZE sent an email to the UCA and stated: "Hi David, I have bought flight to Denver, I will be there evening 30 June. What hotel is better stay?"

31. In a separate HSI investigation, the DDTC certified that the ATN, Thor 640 2.5 (30Hz) Thermal Imaging Weapon Sight, P/N: TIWSMT643B is covered by Category XII(c) on the USML. In a first level review conducted during the instant investigation, the DDTC concluded that the ATN, Thor 320 1X (30Hz) Thermal Imaging Weapon Sight, P/N: TIWSMT321C is also covered by Category XII(c) on the USML.

32. On May 2, 2013, James Munn the president and CEO of ATN was interviewed via telephone regarding export control licensing requirements. Specifically, Mr. Munn was interviewed regarding the export classification and licensing requirements related to the ATN product line labeled as Thor Thermal Imaging Weapon Sights. Mr. Munn stated the Thor Thermal Imaging Weapon Sights are items that qualify as defense articles which are all controlled for export from the United States by the ITAR. Mr. Munn stated that the DOS and specifically the DDTC have the legal authority to determine what products are or are not controlled for export from the United States under the ITAR. Mr. Munn stated that based upon his over 20 years of experience in manufacturing and selling night vision and thermal vision devices, it is clear and readily apparent that the ATN Thor Thermal Imaging Weapon Sights would fall under the category of XII of the USML. Mr. Munn stated category XII of the USML covers items related to fire control, range finders, optical and guidance and control equipment. Mr. Munn further stated he knew the products in the Thor product line were export controlled on the USML category XII (c) because that category specifically covered infrared, night sights, and image intensification equipment modified or configured for military use. Mr. Munn stated ultimately it is a very simple application of the ITAR and specifically the USML

category written by the DDTC which lead him to determine the Thor Thermal Imaging Weapon Sights were in fact export controlled under the ITAR.

33. Based on the DDTC's certification and review, and the statements of Mr. Munn, I have probable cause to believe that the thermal imaging weapon sights KVINIKADZE is conspiring and attempting to export from the United States without an export license are, in fact, defense articles of the type covered by the ITAR Category XII(c), as these items have military applications as rifle optical equipment designed or configured for military use.

**END OF AFFIDAVIT**

**PENALTY SUMMARY**

**DATE:** June 14, 2013

**DEFENDANT NAME:** ROMAN KVINIKADZE

**VICTIM:** NO

**OFFENSE AND PENALTIES:**

**OFFENSE:** 22 U.S.C. §§ 2778(b)(2) and 2778(c) and 22 C.F.R. §§ 121.1, 123.1 and 127.1(a)  
(Conspiracy to Unlawfully Export Defense Articles)  
license)

**PENALTIES:** NOT MORE THAN 10 YEARS IMPRISONMENT  
\$1,000,000 FINE  
3 YEARS TO LIFE SUPERVISED RELEASE  
\$100 SPECIAL ASSESSMENT

**AGENT:** SA RAMZI ALY/HSI

**AUSA:** L. Robert Murray

**ESTIMATED TIME OF TRIAL:**

five days or less  
 over five days  
 other

**INTERPRETER NEEDED:**

Yes  
 No

**THE GOVERNMENT:**

will  
 will not

The court should not grant bond because the defendant is not bondable because there are detainers from other jurisdictions

**SEEK DETENTION IN THIS CASE.**